



ANNUAL REPORT 2007

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NOTICE OF 6TH ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 6th, 7th, and 8th Annual General Meetings of Tower Hamlets Community Credit Union Limited will be held at Tower Hamlets College / Financial Skills Academy, George Green Building, 155 East India Dock Road, Poplar, London E14 6DA on July 24, 2008. Registration and refreshment starts at 5:30 pm and the AGM begins promptly at 6:00 pm.

AGENDA

6.00p.m.

1. Reading of the notice convening the 6th, 7th, and 8th A.G.M.s
2. Credential (Quorum) Report
3. Adoption of Standing Orders
4. Minutes of the 5th Annual General Meeting
5. Matters Arising
6. Reports
 - i. Board of Directors
 - ii. Credit Committee
 - iii. Supervisory Committee
 - iv. Auditor/Financial Statements
7. Keynote Address
8. Nominating Committee Report
9. Election of Officers
10. Resolutions
11. Appointment of Auditors
12. Adjournment

STANDING ORDERS

1. A Member shall address all comments through the Chair.
2. A Member shall only address the Meeting when called upon by the Chair to do so. Speeches are to be clear and relevant to the subject before the Meeting.
4. A Member may not speak twice on the same subject except he/she:
 - (a) Is the Mover of a motion with the right of

reply.

(b) Wishes to object or to explain (with permission of the Chair).

5. The Mover of a "Procedural Motion" (Adjournment, Lay on the Table, Motion to postpone) shall have no right of reply.

6. No speeches are to be made after the "Question" has been put and carried or negated.

7. A Member speaking on a "Point of Order" is to state the point clearly and concisely. (A "Point of Order" must have relevance to the "Standing Order".)

8. (a) A Member shall not "Call another Member to order" but may draw the attention of the Chair to a "Breach of Order".

(b) In no event can a Member call the Chair to Order.

9. A question shall not be put to the vote if a Member desires to speak on it or move an amendment to it, however the following may be moved at any time: a "Procedural Motion: The Previous Question" "Proceed to the Next Business" or the Closure: "That the Question be now Put."

10. Only one amendment should be before the meeting at one and the same time.

11. When a motion is withdrawn, any amendment to it fails

12. The Chair shall have the right to a "Casting Vote".

13. If there is equality of voting on an amendment and if the Chair does not exercise a Casting Vote, the amendment is lost.

14. Provision is to be made for protection of the Chair from vilification

15. No Member shall impute improper motives against another Member.

MINUTES OF THE 5TH ANNUAL GENERAL MEETING

Thursday 14th July, 2005, at the London Borough of Tower Hamlets, Chrisp Street Idea Store, 1 Vesey Path East India Dock Road London E14 6BT

COMMENCEMENT

The proceeding commenced at 06:09 pm with one minute silence in remembrance of the victims of the 7th July London bombings.

NOTICE OF THE 5TH ANNUAL GENERAL MEETING

The secretary, Stefano Rizzetto, read the Official Notice and the Agenda of the 5th Annual General Meeting.

CREDENTIAL REPORT

Credential Report revealed that there were 28 persons present as follows:

Members 22
Guests 6

WELCOME

The Vice President, Ms Camilla Shittu greeted the attendees on behalf of the Board and the Committees. Ms Shittu thanked the Idea Store for their hospitality.

STANDING ORDERS

The Standing Orders were unanimously adopted on a motion moved by the Chair, Mr Ian Moseley and seconded by Miss Eartha Eloi. There were no objections.

REVIEW OF THE MINUTES FROM THE 4TH ANNUAL GENERAL MEETING

The Chair asked members to read the content of the minutes and highlight mistakes or inaccuracies.

The minutes were adopted as read and accepted.

MATTER ARISING

There were no matters arising from last

year's AGM

REPORTS

BOARD OF DIRECTORS REPORT – SEPT 30TH 2004

The report was read by Mr Moseley. No comments were received from the floor.

CREDIT COMMITTEE REPORT – 30TH 2004

The report was read by Mr Colin Eddy. No comments were received from the floor.

SUPERVISORY COMMITTEE REPORT – 30TH 2004

The report was read by Mr Colin Eddy. No comments were received from the floor.

NOMINATING COMMITTEE REPORT

The report was read by Mr Moseley. There were insufficient nominees. Mr Moseley stepped down from his role as President for the Credit Union and chair for the AGM. The chair role was taken by Mr Grenville Bingham.

ELECTION FOR BOARD AND COMMITTEES

BOARD

Mr Bingham proposed the motion to co-opt the necessary additional board members once the board was elected. The motion was seconded by Mr David Gachette. There were no objections.

Mr Bingham encouraged those present to volunteer for the board.

Board members seeking re-election
Mr David Gachette introduced himself.

Mr Ian Moseley introduced himself
Ms Nethliee Scarborough introduced herself

Other messages from the floor.

Ms Camilla Shittu thanked the Board and all active members of the Credit Union. In particular Ms Shittu thanked Mr Ian Moseley, Mr David Gachette and Mr Colin Eddy

Result of vote

Mr David Gachette: 12 Yes, 0 against
Mr Ian Moseley: 19 Yes, 0 against
Ms Nethliee Scarborough: 16 Yes, 0 against

CREDIT COMMITTEE

The Credit Committee requires the election of three nominees, however only one nominee was available.

Ms Eartha Eloi introduced herself

Result of vote:

Eartha: 18 Yes, 0 against

There are other two positions to be filled in the future after interviewing possible candidates

SUPERVISORY COMMITTEE

No nominees were available. Potential candidates will be identified after the AGM

KEYNOTE ADDRESS

Mr Brian Myroff described the history of Credit Unions and the benefits of being a member of a Credit Union

AUDITOR'S REPORT

The Auditor's report was read by the auditor. There were no comments from the floor.

RECOMMENDATIONS

DIVIDENDS

Mr Bingham presented the board recommendation and motion that the Credit Union pays a dividend of 1% to adult members and 5% to junior member.
Mr David Gachette seconded the option
Nobody was against

AGE FOR JUNIOR MEMBERSHIP

The Board proposed a resolution to increase the age of junior members to 18 years. In order to meet this requirement, rules 10 and 25 of the Credit Union need to be changed. If the resolution is approved the Credit Union will need FSA approval before introducing the relevant changes.

Mr Ian Moseley proposed the motion to increase the age to qualify to Junior Member to the 18th birthday, subject to FSA approval
The motion was seconded by Grenville Bingham
Nobody was against

AUDITORS

Mr Grenville Bingham proposed the motion to reappoint the auditors.
The motion was seconded by Ms Camilla Shittu.
There were no objections; however the board was invited to review the auditors' performance and price at the end of the financial year.

The AGM closed at 19:01

BOARD OF DIRECTORS REPORT FOR THE YEAR END- ING 30 SEPTEMBER 2007

The past three years have seen much change and growth in our credit union. Several projects have been embarked upon, including a partnership with Department of Work and Pensions, the Credit Union Current Account Project (basic banking), and the establishment of a third branch at Chrisp Street in Poplar.

During this period the sizes and composition of the board and committees have been reduced due to resignations and the lack of available volunteers to fill the vacancies. As a result, the AGM was delayed due to lack of resources and the Board's focus on delivering day to day services.

The Board therefore appeals for more members to volunteer their time and skills to assist us in delivering this valuable service to the community.

2004-2005

Tower Hamlets Community Credit Union has continued to grow rapidly and members will have seen many changes since we first opened. The membership at the end of September 2005 was 3310 compared to 2406 at the end of the previous fiscal year. This is an increase of 37%

At our previous AGM we were awaiting the opening of the Chrisp Street Branch in the former Abbey National office in Vesey Path. This has proved a very popular branch and has been responsible for a considerable part of the growth in membership.

The Credit Union has continued its work with other bodies in the community, in particular providing venues at Chrisp Street and Roman Road for local money advice

services to hold drop-in sessions.

Unfortunately the Citizens Advice Bureau was unsuccessful in obtaining a grant to provide money management advice, although some funding went to other advisory services locally and we are liaising with them.

The Board wishes to thank all the staff and volunteers who have worked at the branches and praise their diligence, patience, and continuing good humour.

2005-2006

During the year membership of the Tower Hamlets Community Credit Union rose from 3310 to 4487 an increase of 36%. Savings are now over £2m. However the Credit Union is still dependant on grant funding and is likely to remain so for the near future.

Chrisp Street

During the year the Chrisp Street branch was refurbished with the aid of a grant from Leaside Regeneration and now is much smarter, both in the public area and downstairs where there is now a very smart meeting room.

Roman Road

Although the loss of the supermarket in the area has affected some businesses the Roman Road branch continues to operate at the same level and there are no plans to refurbish or change that branch.

Bethnal Green

Although the Bethnal Green branch remains quite smart in the public area there has been some water damage in the rear areas and the floor in one part is in need of replacement or repair. These premises are held on a commercial lease and, although we have some time to go, it would be prudent to examine other possible locations within the immediate area and the Board is

taking this into consideration.

As members will now be aware we were one of the successful bidders for loan guarantee funding from the DWP. This will be used to bolster our work in providing support for the community and permit us to be more flexible in our loan policy, especially to those on benefits. Many other bidders were unsuccessful and our success is testimony to the enormous amount of work undertaken on behalf of the Credit Union by both the board and staff.

We had hoped to obtain funding from the same source to allow us to participate in the current national project to provide debit cards for Credit Unions. The set up fees, security costs and other work needed to implement this would require, however, investment of £100,000. Tower Hamlets Council have offered to fund as much as £60,000 of this, but we are still seeking funding for the remainder.

The Board wishes to thank all members for their continued support, and especially those who have worked on a voluntary basis in the branches and on the various committees, as well as our very hardworking staff.

2006 –2007

During the year our growth continued, and at the end of our 8th year, the membership stood at 5931 members. This is an increase of 32% over the membership of 4487 at the end of 2006.

We continue with our three branches, and are pleased that the branch at Chrisp Street continues to be a major source of new members. Poplar HARCA will be redeveloping its current location sometime in the next several years but has promised to make an alternative office available near the current location of the Chrisp Street branch.

Abbey plans to remove the non-functional cash machine in 2008.

Roman Road received additional space that is being used for credit control. Abbey will also remove the cash point from Roman Road.

During the year we bid on the continuation of the loan guarantee funding from the DWP. This funding will continue to be used to bolster our work in the community by reducing the presence of “doorstep” lenders in Tower Hamlets and allowing us to make smaller payday and emergency loans at affordable interest rates.

The DWP has suggested it can also assist us in funding the banking project. As a result, we look forward in our 9th year to participation in the “Credit Union Current Account” banking project. This will allow us offer basic banking services, including a debit card, to all members who wish to have it. This service will require us to make a small monthly charge to ensure ongoing costs of the service are supported by those members who choose to use it.

The banking project will require additional work and staff, so we encourage all members to consider if they can offer some voluntary support to our Credit Union’s work.

Once again, the Board wishes to thank all members for their support, especially those who have worked on a voluntary basis in the branches and on the various committees. Colin Eddy, our manager also deserves special mention for his dedication to making THCCU work so well for the members.

CREDIT COMMITTEE REPORT FOR THE YEAR END- ING 30 SEPTEMBER 2007

STRUCTURE OF THE COMMITTEE

The following persons are the members of the Loan Committee.

Ms Nethliee Scarborough

Ms Enid Robinson

Ms Eartha Eloi

OVERVIEW

Your Credit Committee conducted its duties with due diligence in accordance with the standard rules and regulations of the Credit Union. This meant that a quorum of three was required to discuss, approve and sign all loan applications.

LENDING

From 1st October 2005 to 30th September 2007 the Credit Union granted 3,116 loans valued at £2,921,815. Requested loans were mainly received in the areas of Holidays, Rent payments, Weddings and ceremonies, Christmas, Home Improvements/decorations, Urgent bills, Furniture and Appliances acquisition and Car purchase

LOANS BY TYPE AND PERCENTAGE

As we prepare to move forward, it is with great pleasure that we provide our members with a summary of the quantity and value of loans granted by the Tower Hamlets Community Credit Union since our launch in **December 2000 up to** September 2007.

A total of 5,720 loans to the value of £5,858739.87 were granted from December 2000 up to September 30th 2007, with the fol-

AN ANALYSIS OF LOANS GRANTED FROM 01/10/05 TO 30/09/07:

PURPOSE OF LOAN	NO. OF LOAN GRANTED	VALUE OF LOANS	% OF TOTAL LOANS
		£	%
Car Purchase	60	115,978	4
Car Repairs	9	10,325	0.30
Christmas	150	111,069	3.75
Debt Consolidation	39	79,094	2
Domestic Expenses	162	111,029	3.75
Down payment on Home	9	18,805	0.60
Education Expenses	30	48,379	1.6
Festivals/Religious/ Weddings	154	187,013	5.8
Funeral	29	34,817	1
Furniture and Appliances	194	147,659	4.9
Holiday	1685	1,420,614	48
Home Improvements/Decorations	189	282,401	9
Legal Fees	11	21,537	0.70
Medical	16	20,235	0.5
Rents/Rates/Taxes	364	293,902	10
Start-up Capital/Business Exp.	10	18,835	0.50
Urgent Bills	162	111,029	3.75
TOTAL	3116	2,921,815	100%

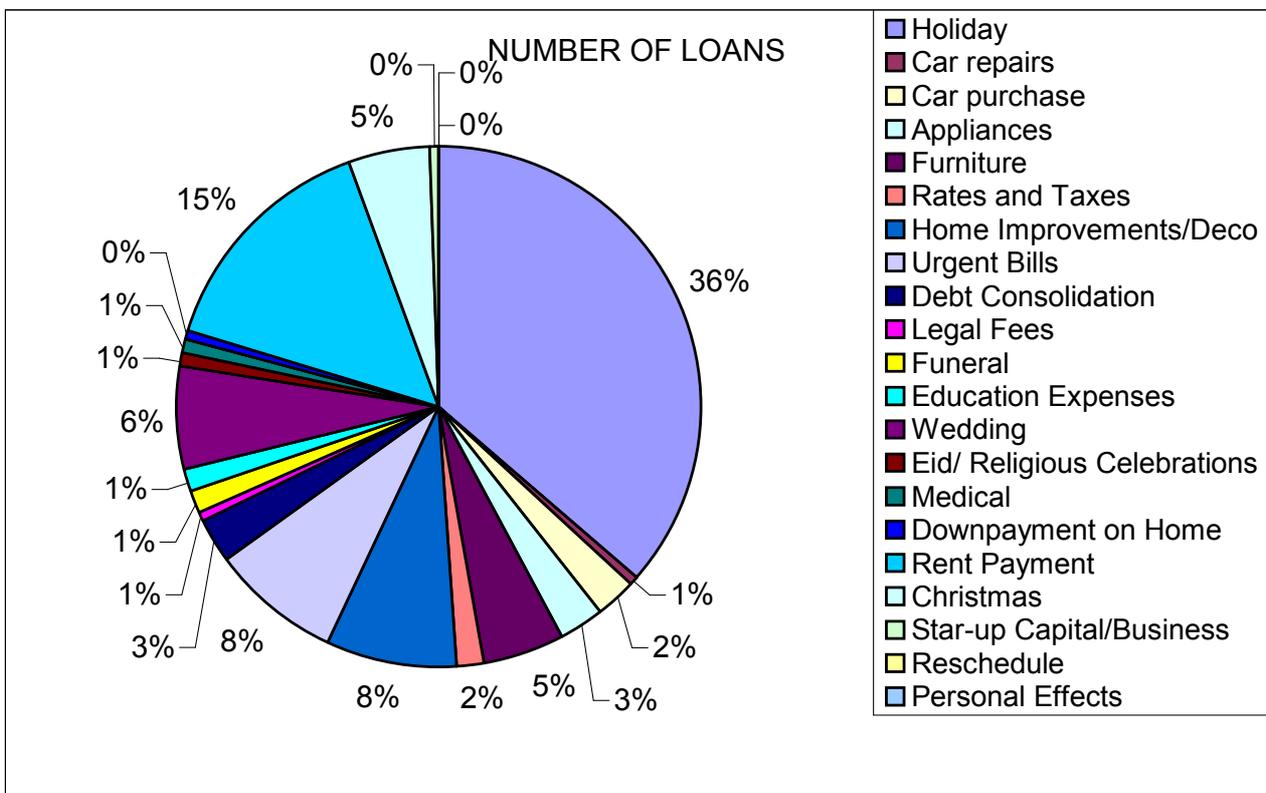
lowing categories being the most popular areas of request:

- Holiday
- Urgent Bills
- Home Improvements/Decoration
- Furniture and Appliances
- Debt Consolidation
- Car Purchase
- Weddings
- Rent

DELINQUENCY MANAGEMENT

There has been growth in this portfolio, however unrelenting efforts by our officers to reduce delinquencies continues in the form of letters to delinquent members, phone calls, applications for an order that debtor attend court for questioning, and recently, the engagement of debt collection agencies. This emphasis on enforcement

LOANS BY TYPE AND PERCENTAGE



TOTAL PAYOUTS OF MAIN LOAN CATEGORIES FROM DECEMBER 2000 TO 2007

PURPOSE OF LOAN	NO. OF LOANS GRANTED	VALUE OF LOANS (£)
Holiday	2140	1,799,823.
Urgent Bills	471	256,453.
Home Improvements/Decoration	476	746,150.
Furniture and Appliances	299	261,252.
Debt Consolidation	156	298,721
Car Purchase	143	303,311.
Wedding	363	343,258.
Rent	875	666,717.

has been coupled with greater preventative measures engaged during the interview and approval phases of the loan process as well as in instances credit referencing and examination of debts to ensure members are able to afford the repayment terms comfortably.

ATTENDANCE AT MEETINGS

Meetings of the Credit Committee have been attended by Eartha Eloi, Nethliee Scarborough and Enid Robinson. The Manager and other staff members have also been in attendance.

RECOMMENDATIONS

Tower Hamlets Community Credit Union continues to face many challenges as the environment in which it operates responds to forces set in motion by monetary policies of National Government and the stresses placed on our members by the economy. But to remain competitive, sustainable and relevant to the membership and stakeholders, our Credit Union must also continue to respond aggressively to changes in the present market.

In this regard, greater emphasis must be placed on market intelligence and our responsiveness to the financial markets. We must seek to capitalise on expected changes in the economy that can benefit the growth and development of our Credit Union, including Government's policies geared towards expanding the reach of Credit Unions.

As reported in FinancialAdvice.co.uk, dated 30th June 2008:

Credit unions are to be allowed to have an expanded role, according to new government legislation.

The reforms will mean that the community-

based loans and savings groups will now be allowed to strike deals with local companies and housing associations - potentially increasing the number of people that can use them.

According to ministers, the so-called Common Bond - which limits the unions to the local community alone - will also be relaxed.

Credit unions are often used by people on low incomes who struggle to get credit with high street banks.

They are generally seen as preferable to so-called "loan shark" lenders, who often charge higher interest rates.

Economic secretary to the Treasury, Kitty Ussher, said: "Now more than ever, families are feeling the pinch due to the tough situation in the international economy.

"We want to make it easier for families to access the affordable credit on their doorstep that is offered by credit unions, rather than having to turn to more expensive schemes, or at the extreme end, illegal loan sharks."

CONCLUSION

All members of the Committee continue to gain tremendous experience while serving on the Credit Committee.

The committee has an excellent working relation with Credit Union staff and wishes to thank Management and Staff for their support and co-operation in managing the many challenges encountered during the year. We see challenges not as a stumbling block, but as a tool which has helped us to develop higher standards benefiting not only the committee, but also the Credit Union.

We hope that our working relationship with the Board of Directors and other elected

Committees continues to be one of harmonious pursuit of a shared vision.

To all our members, we would like to say special thanks for giving us the opportunity to serve you. With your help we continue striving to ensure your Credit Union grows from strength to strength in the current and forthcoming years.

Finally, on behalf of all members of the Credit Committee, I wish to thank you all for your support and would urge you to continue to support the Tower Hamlets Community Credit Union.

SUPERVISORY COMMITTEE REPORT

INTRODUCTION

The Supervisory Committee is responsible for monitoring the board of Directors, employees, loans and credit committees as well as to ascertain whether or not all the actions and decisions of the Officers relating to the affairs of the Credit Union are in accordance with Law and the Rules .

OVERVIEW

During the period under review the Credit Union has experienced strong growth. Capital represents all earnings the Credit Union has accumulated since its organization. It is comprised of regular reserve, reserve for contingencies, and undivided earnings.

During the financial year ending September 2007, total assets and loans have increased, improving the loan to share ratio; also investments decreased and members' shares increased.

FINANCIAL AND ACCOUNTING

The supervisory committee audit scope included testing the accuracy of the Credit Union's financial data and compliance with FSA. Reviewing the accounting system for its overall integrity and efficiency procedures and tests included reviewing the quality of the subsidiary accounting records and supporting schedules.

We reviewed the balance sheet and other financial statements for the period ended 30 September 2007 and found that in respect to that period there were no exceptions to be added to the report of the Auditors.

We note that to conform with the Financial Services requirements, the allowance for loan losses account should be large enough to cover all potential losses within the Credit Union's loan portfolio. This includes identified losses in the delinquent loan portfolio as well as an estimate of losses in the non-delinquent loan portfolio.

LOANS

The supervisory committee audit encompassed a review of the Credit Union's loan policies, procedures, and operations. While maintaining the current quality of the loan portfolio the Credit Union still needs to increase the demand for loans.

Based on reports received during the period under review, the Credit Union appears to be adequately monitoring and documenting loans granted to members, employees and officers, in compliance with the Credit Union's written loan policies. There has also been improved effort to collect from delinquent members.

INTERNAL CONTROLS

Internal controls comprise the plan of organization, operating procedures, and measures within the Credit Union to safeguard its assets, to check the accuracy and

reliability of its accounting data, to promote operational efficiency, and to encourage adherence to managerial policies.

From direct observation of operations, discussions with officers and staff, or from written materials, there is no indication that the procedure of operations in accordance with the Financial Services requirements are not being followed.

The committee attended Board meetings and can state that the meeting were quorate and conducted in accordance with Credit Union rules and regulations and with membership's interest at the centre.

THE FUTURE

The committee will continue to be responsible for random checks and internal controls of Credit Union activities. It is noted that the retention of committee members is an issue, and a special appeal is being made to redress this matter. Further, taking into account that there are constant changes in the financial and business industries, the committee will endeavour to undertake further training for continuous improvement of the skills of its members.

NOMINATING COMMITTEE REPORT

In accordance with the Rules of the Credit Union, the Nominating Committee invited nominations for the following vacant positions:

BOARD OF DIRECTORS

1. Stefano Rizzetto – Outgoing / not seeking re-election
2. Anne Smith - Outgoing / not seeking re-election to Board
3. David Campbell – Outgoing / seeking re-election
4. James Quartey – Outgoing

5. Agnes Bain - Outgoing
6. Vacant Position

SUPERVISORY COMMITTEE

1. Lena Pamphile – Outgoing / seeking re-election
2. Edward Fowowe
3. Vacant Position

CREDIT COMMITTEE

1. Eartha Eloi - Outgoing / not seeking re-election
2. Yvonne Wood - Resigned
3. Vacant Position

The Committee received 36 applications for the vacant posts as follows:

- | | NAME |
|----|-----------------------|
| 1 | STANLEY WILSONHAM B |
| 2 | MICHAEL ABIODUN C |
| 3 | SWAPAN MIAHC |
| 4 | ABDIAZIZ MOHASMED |
| 5 | ABDULLAHI KHADCAR |
| 6 | OJO KILA B C S |
| 7 | NIGEL HUXTED B C S |
| 8 | STEPHEN SMITH S |
| 9 | FLORENCE OKONTA - S |
| 10 | CHARMAINE DIXON - B S |
| 11 | ALEXANDER ORAKWUE - B |
| 12 | OGWU ASHIEDU - S |
| 13 | JOSHUA ANAMAN C |
| 14 | ABUL KHURSHED - B C |
| 15 | JACK MADDEN - C |
| 16 | M YUNIS - B |
| 17 | ALI ABDALLA - B |
| 18 | DAVID CAMPBELL - B |
| 19 | SAMUEL ADDEH - B |
| 20 | ROUF AHMED - C |
| 21 | S. NAGARAJAH B - S |
| 22 | GLENDA ALEXANDER -B S |
| 23 | JAMIR CHOWDHURY - B S |
| 24 | LENA PAMPHILE - S |
| 25 | JOHN COLLINS - B |
| 26 | JEAN WASSO - C |
| 27 | MOYNA MIAH- C |
| 28 | JAMA JAMA - S |

- 29 SALHA AHMED - C
- 30 JOSHUA DADZIE
- 31 VERONICA OGWU
- 32 KEHINDE OJRONBE
- 33 S RAHMAN
- 34 OGWY ASTEDU
- 35 PATRICK TEMPLE - C
- 36 SUZETTE BARRY
- 37 JAMES SWALLOW - B S
- 38 HELAL RAHMAN - B S

B - Board

C - Credit Committee

S - Supervisory Committee

Applicants were invited to a briefing session and provided with information detailing the duties and responsibilities, time commitment, expertise and attributes required for the various Management Committees. A total of 16 attended the briefing sessions.

The Committee conducted personal interviews with the 16 candidates to determine each applicant's suitability for elected office given the increasing burden, which would be placed on elected officials to give of their time, expertise and goodwill.

The Committee is therefore pleased to recommend the following persons as fit and proper to be proposed to the Membership at the Annual General Meeting of the Credit Union.

BOARD OF DIRECTORS

1. Glenda Alexander
2. David Campbell
3. Mohamed Yunis
4. Jamir Chowdhury
5. Samuel Addeh
6. James Swallow
7. Rouf Ahmed
8. Helal Rahman

SUPERVISORY COMMITTEE

1. Segarajasingham Nagarajah
2. Lena Pamphile

3. James Swallow

CREDIT COMMITTEE

1. Helal Rahman
2. John Collins

BOARD OF DIRECTORS

Glenda Alexander

Glenda was a local government officer between 1994 and 2007. While with the local council she managed a local one-stop shop. She has effective community links with service providers. She is now the Customer Service Manager responsible for strategic customer service/ Management Customer Service Team. She is a member of the Institute of Customer Services and has Management Qualification. Glenda is confident and has excellent communication, presentation, administration and IT skills.

David Campbell

David is a clerk of works and is attached to the Walker Management Company. David has served on the Board since 2004 and is currently the Treasurer of the Credit Union.

Mohamed Yunis

Mohammed has been a youth social worker for over eleven years. Initially working as a Care Manager, he later worked with the asylum social work team. Yunis currently works with vulnerable young adults, assessing needs, recommending support requirements and providing support to assist them into independent living.

Jamir Chowdhury

Jamir works as a civil servant with DWP. He was a vacancy-filing executive managing a team of three front line staff before he was promoted to the position of Deputy Department Manager and now manages a team of 20. He is responsible for managing the recruitment process within a local jobcentre and is also a successful business entrepreneur.

Samuel Addeh

He is a qualified computer engineer. Worked in colleges, universities and corporate environments with people from various backgrounds. His interests include reading and photography. Samuel is also a trained project manager. He was on the borough wide Compact Group 2007 and is Vice Chair of the North Borough Resident Group.

James Swallow

He is a qualified Chartered Accountant. He formed his own practice along with another partner in 1993 and has a staff of 3. He is also a non executive Finance Director and Chairman of Scope Group/ A30 Interiors. James is a member of London Consultative Committee- Companies House and also serves on the Board of Tower Hamlets CDA. He is also a long-term business advisor to several companies from micro organisations to larger well-established businesses. James enjoys walking, archaeology, inland waterways, cycling and photography.

Helal Rahman

Over the past 24 years he has gained a vast array of experience in different areas of business in the United Kingdom and abroad. Helal has been a Youth worker, a teacher and a senior lecturer. He has been also been a local authority councillor. His work experience includes being the area director of Poplar HARCA as well as Managing Director of a printing and Industrial packing company in Bangladesh. He is currently a local business owner and was also involved in developing and delivering the concept of the Idea Stores borough wide.

Rouf Ahmed

Rouf is a local community worker. He has worked with the Linc, Wentworth and St Hilda's Community Centres. Rouf is Governor / Vice Chair of Clair Grant Primary School. He is also Vice Chair of the LIMA

Group and Resident Vice Chair on the Board of Poplar HARCA. Rouf also is a member of the Burtlett Park Friendly Group.

SUPERVISORY COMMITTEE

Segarajasingham Nagarajah

He is a Senior Accountant (Housing) at LBTH. Previously served as a member of the initial steering group of the Credit union and later on the Supervisory Committee.

Lena Pamphile

Student and free lance administration worker and has been on the Supervisory Committee for two years

James Swallow

He is a qualified Chartered Accountant. He formed his own practice along with another partner in 1993 and has a staff of 3. He is also a non executive Finance Director and Chairman of Scope Group/ A30 Interiors. James is a member of London Consultative Committee- Companies House and also serves on the Board of Tower Hamlets CDA. He is also a long-term business advisor to several companies from micro organisations to larger well-established businesses. James enjoys walking, archaeology, inland waterways, cycling and photography.

CREDIT COMMITTEE

Helal Rahman

Over the past 24 years he has gained a vast array of experience in different areas of business in the United Kingdom and abroad. Helal has been a Youth worker, a teacher and a senior lecturer. He has been also been a local authority councillor. His work experience includes being the Area Director of Poplar HARCA as well as being Managing Director of a printing and Industrial packing company in Bangladesh. He is currently a local business owner and was also involved in developing and delivering the con-

cept of the Idea Stores borough wide.

John Collins

Served in army for nine years and left as an RSM. He later went into Warehouse Management and in 1982 became a public house manager and owner of two pubs.

VOLUNTEERS

It is also proposed that some of the other candidates will be asked to mirror committees or serve as volunteers at the Credit Union to increase their awareness and skills, which will enable them to be incorporated into the Management Committee at the next Annual General Meeting. In addition some of the candidates may wish to consider if they would wish to stand for positions on committees other than the one they originally indicated on their application form. This could be done at the Annual General Meeting.

RECOMMENDATIONS AND RESOLUTIONS

PAYMENT OF DIVIDEND

The Board has discussed the financial status of the Credit Union and it recommends that a dividend of 0.5% for adult members and 1% for junior members be paid for the year in question.

The board would like to remind members that they receive, at no cost, a life insurance benefit that is related to their share value and loan protection insurance related to their outstanding loans.

MISCELLANEOUS

For the board to co-opt officers to vacant positions on Board, Credit and Supervisory Committee.

LOANS TO EMPLOYEES

The Board, based on guidelines issued by the FSA, proposes that employees be offered discounted rates on loans at the discretion of the management committees.

APPOINTMENT OF AUDITORS

The board has agreed to recommend the following resolution to members:

Be it resolved that the Board of Directors shall seek offers from qualified auditors, including the current auditing firm of Appleby & Wood, and then decide which firm shall be retained as Auditors to Tower Hamlets Community Credit Union for the current year.

AUDITORS' REPORT

REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2007

We have audited the financial statements of Tower Hamlets Credit Union Limited for the year ended 30th September 2007 which are set out on pages 1 to 6 . These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Credit Union's members, as a body, in accordance with the Industrial & Provident Society Acts 1965 to 2002, and the Credit Union Act 1979. Our audit work has been undertaken so that we might state to the Credit's Unions members those matters we are required to state to them in an audit's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

Industrial and Provident Society law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the surplus of the Credit Union for that period. In preparing those financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Credit Union will continue.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union. It is also responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As described above, the Board is responsible for preparing the financial statements in with applicable accordance law and International Standards on Auditing (UK and Ireland).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with

International Standards on Auditing issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements:
- give a true and fair view of the state of the Credit Union's affairs as at 30th September 2007 and of its surplus for the period then ended: and
- have been properly prepared in accordance with the Friendly and Industrial and Provident Societies Acts 1965 to 2002 and the Credit Unions Act 1979

Yours faithfully,

APPLEBY & WOOD
Registered Auditors
3 The Office Village
4 Romford Road
Stratford, London E15 4EA

TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED
FINANCIAL STATEMENTS
YEAR END: SEPTEMBER 30TH 2007.

TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED
REVENUE ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 2007

	Note	2007		2006	
		£	£	£	£
Income					
Loan Interest			188,581		139,732
Bank Interest			17,065		20,061
Investment Interest			18,946		-
Management Fee			-		186
Western Union Commission			2,518		3,835
DWP Revenue Fund			99,502		-
Insurance Commission			2,622		2,916
Sundry Income			11,320		200
			<u>340,554</u>		<u>166,930</u>
Fixed Asset depreciation Release			15,702		-
Grants Receivable			55,693		127,477
			<u>411,949</u>		<u>294,407</u>
Less Expenses					
Staff Salaries		164,074		125,069	
Other Staff Costs (including Volunteers expenses)		4,702		8,076	
Cleaning		408		224	
Printing & stationery		6,287		5,725	
Travel costs		1,127		1,620	
Professional Fees		2,465		1,500	
Repairs & Maintenance		3,335		4,186	
Telephone		6,160		7,131	
Computer Development		2,101		1,081	
Advertising & Publicity		542		1,521	
Depreciation		39,793		23,104	
Fidelity Bond		2,269		1,852	
ABCUL fees		3,879		3,290	
CUNA Insurance		11,129		14,257	
Insurance		750		750	
Committee Expenses		333		424	
Bank charges		2,721		2,496	
Office Expenses		3,161		1,513	
Sundry Expenses		1,517		875	
Accountancy		-		682	
Audit		4,200		3,381	
Training		517		486	
Rent, Heat and Light		40,588		40,126	
Provision for delinquent loans		92,721		49,125	
Lease of equipment		1,750		1,237	
Regulatory fees		782		2,608	
			<u>(397,311)</u>		<u>(302,339)</u>
Surplus/(Deficit) for the year before taxation			14,638		(7,932)
Corporation Tax			<u>(7,202)</u>		<u>(1,913)</u>
Surplus/(Deficit) for the year after taxation			7,436		(9,845)
Transfer to statutory reserves			-		-
			<u>7,436</u>		<u>(9,845)</u>
Proposed Dividends			-		-
Surplus/(Deficit) from Reserve			<u>7,436</u>		<u>(9,845)</u>

All amounts relate to continuing operations.

TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED
BALANCE SHEET FOR THE YEAR ENDED 30TH SEPTEMBER 2007

	Notes	2007		2006	
		£	£	£	£
Fixed Assets	5		81,345		33,951
Investments	9		403,577		384,904
Loans Due from Members		1,869,660		1,340,823	
Less Provision for Bad Debts		<u>(199,245)</u>		<u>(106,524)</u>	
			<u>1,670,415</u>		<u>1,234,299</u>
			2,155,337		1,653,154
Current Assets					
Short term deposit		174,930		165,000	
Other Debtor	6	40,688		142,715	
Cash and Bank	7	<u>465,339</u>		<u>256,744</u>	
		<u>680,957</u>		<u>564,459</u>	
Current Liabilities					
Sundry Creditors	8	10,273		9,489	
Proposed Dividend	11	-		-	
Corporation Tax		<u>13,482</u>		<u>6,280</u>	
		<u>23,755</u>		<u>15,769</u>	
Net Current Assets			<u>657,202</u>		<u>548,690</u>
			<u>2,812,539</u>		<u>2,201,844</u>
Represented by:					
Share Capital	10		2,476,988		2,199,263
General Reserve	4		10,017		2,581
DWP Reserve			263,000		-
Leaside			44,358		-
DWP capital			<u>18,176</u>		<u>-</u>
			<u>2,812,539</u>		<u>2,201,844</u>

Director

Director

Director

TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2007

1. Accounting Policies

a) Accounting Policies

The financial statements have been prepared under the historical cost convention.

b) Interest

Interest receivable from loans to members is accounted for on receipts basis. All other interest payable and receivable is accounted for on an accrued basis.

c) Corporation Tax

The provision of UK Corporation Tax is based on bank deposit account interest received at the rate of 19%.

d) Fixed Assets

Depreciation has been provided on fixed assets at rates considered sufficient to write them of over their useful lives:

Computers	25%
Fixtures, fittings & equipment	15%
Refurbishment of Bethnal Green Office	6 years

2. Statement of Total Recognised Gains and Losses

The deficit for the year was the only recognised gain or loss in the year.

3. Historical Cost Profit and Loss

All assets are stated in the financial statements at historical cost. Therefore, no adjustments are required to the reported deficit which is stated on an unmodified historical cost basis.

4. Reconciliation of Movements in the General Reserves

	Reserves		Total
	Others	Statutory	
	£	£	£
Balance as at 01 October 2006	(9,273)	11,854	2,581
(Deficit)/Surplus for the year	7,436	-	7,436
Transferred to Appropriation Account	-	-	-
Transferred to Statutory Reserve	-	-	-
Balance as at 30th September 2007	<u>(1,837)</u>	<u>11,854</u>	<u>10,017</u>

TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30TH SEPTEMBER 2007

5 Fixed Assets	Office	Fixtures/	Total	
	Improvement	Computers	Equipment	
	£	£	£	£
Costs				
As at 01 October 2006	48,610	44,762	25,411	118,783
Additions	60,155	26,082	950	87,187
As at 30 September 2007	<u>108,765</u>	<u>70,844</u>	<u>26,361</u>	<u>205,970</u>
Depreciation				
As at 01 October 2006	33,368	37,558	13,906	84,832
Charge for the year	18,128	17,711	3,954	39,793
As at 30 September 2007	<u>51,496</u>	<u>55,269</u>	<u>17,860</u>	<u>124,625</u>
Net Book Value @ 30 September 07	57,269	15,575	8,501	81,345
Net Book Value @ 30 September 06	15,242	7,204	11,505	33,951
		2007		2006
		£		£
6 Debtors				
Grants and Fees Receivables		40,000		138,977
General Expenses		688		3,738
		<u>40,688</u>		<u>142,715</u>
		2007		2006
		£		£
7 Cash and Bank				
Bank Current Account		465,339		160,467
Paypoint Bank Account		-		-
Petty Cash		-		255
Cash Float		-		96,022
		<u>465,339</u>		<u>256,744</u>

TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30TH SEPTEMBER 2007

8 Other Creditors	2007	2006
	£	£
Audit fees	4,200	3,643
Unallocated Credits	3,458	-
PAYE/NIC	-	2,546
Suspense	2,615	2,033
Expenses	-	1,267
	<u>10,273</u>	<u>9,489</u>
	<u><u>10,273</u></u>	<u><u>9,489</u></u>
9 Investments	2007	2006
	£	£
Main Investments	403,577	384,904
Junior Investments	-	-
	<u>403,577</u>	<u>384,904</u>
	<u><u>403,577</u></u>	<u><u>384,904</u></u>
10 Share Capital	2007	2006
	£	£
DWP	263,000	-
Adult Shares	2,277,878	2,158,079
Junior Savers	58,535	41,184
	<u>2,599,413</u>	<u>2,199,263</u>
	<u><u>2,599,413</u></u>	<u><u>2,199,263</u></u>
11 Proposed Dividends	2007	2006
	£	£
Adult dividend	-	-
Junior dividend	-	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED
 CASH FLOW STATEMENT AND NOTES
 FOR THE YEAR ENDED 30TH SEPTEMBER 2007

	Notes	2007		2006	
		£	£	£	£
Net Cash(Outflow) Inflow	1		140,177		(24,939)
Interest Received			<u>17,065</u>		<u>20,061</u>
Net cash inflow before investments & financing			157,242		(4,878)
Investment activities					
Fixed Deposit Investment		(28,603)		(180,300)	
Fixed Assets		<u>(87,187)</u>		<u>(7,961)</u>	
Net cash inflow before financing			(115,790)		(188,261)
Dividend Paid			-		-
Financing					
DWP & Leaside Funding		325,534		-	
Increase in Shares		277,725		465,807	
Increase in Loans Granted		<u>(436,116)</u>		<u>(301,267)</u>	
Net Cash Inflow from Financing			<u>167,143</u>		<u>164,540</u>
Increase(Decrease) in Cash	2		<u>208,595</u>		<u>(28,599)</u>

NOTES TO THE CASH FLOW STATEMENT

**1. Reconciliation of deficit
 Before tax to net cash inflow/(outflow)**

Surplus/(Deficit) before Taxation		7,436		(9,845)
Add: (Increase)/Decrease in debtors	102,027		(22,064)	
Depreciation	39,793		23,104	
Bank Interest	(17,065)		(20,061)	
Increase in Creditors	<u>7,986</u>		<u>3,927</u>	
		132,741		(15,094)
Net Cash Inflow		<u>140,177</u>		<u>(24,939)</u>

2. Analysis of Changes in Net Funds

	As at 01.10.06 £	Change	As at 30.09.07 £
Cash at Bank and in Hand	<u>256,744</u>	208,595	<u>465,339</u>

ACKNOWLEDGEMENTS

We would like to thank all those individuals and groups who have worked in various ways and enabled us to achieve our targets.

Our special thanks go to our members, as they are the pillars of the Credit Union. Without them there would be no Credit Union.

All our staff and volunteers, without whose dedication, it would not be possible to achieve such concerted progress.

ABCUL, The National Credit Union body, CUNA Mutual Insurance, The Credit Union Movements Insurance Company, The Financial Services Authority (FSA) and our Partners.

Our Board Members, The Credit Committee, The Supervisory Committee, and all other sub-committees for their contributions, continued support and expert advice.

All our Sponsors and Funders:
London Borough of Tower Hamlets
Abbey National
Old Ford Housing Association

Gren. Bingham of ContactPoint.com for electronic preparation of this Annual Report of 2008 covering the year 2006/2007.

